

CITY OF GORHAM, KANSAS

FINANCIAL STATEMENT AND INDEPENDENT AUDITORS' REPORT
For the Year Ended December 31, 2017

CITY OF GORHAM, KANSAS

For the Year Ended December 31, 2017

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/GUDENKAUF & MALONE, INC.

Shareholder

Pamela Gudenkauf, CPA

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Shareholder

James Malone, CPA

Independent Auditors' Report

Honorable Mayor and City Council
City of Gorham, Kansas

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the City of Gorham, Kansas as of and for the year ended December 31, 2017, and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note A; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the *Kansas Municipal Audit and Accounting Guide*. Those standards require we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on auditors' judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note A of the financial statement, the financial statement is prepared by the City of Gorham, Kansas on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note A and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the City of Gorham, Kansas as of December 31, 2017, or changes in financial position and cash flows thereof for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the City of Gorham, Kansas as of December 31, 2017, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note A.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget and individual fund schedules of regulatory basis receipts and expenditures-actual and budget (Schedules 1 and 2 as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note A.

We previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of Gorham, Kansas as of and for the year ended December 31, 2016 (not presented herein), and have issued our report thereon dated November 8, 2017, which contained an unmodified opinion on the basis financial statement. The 2016 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the web site of the Kansas Department of Administration at the following link <http://admin.ks.gov/offices/chief-financial-officer/municipal-services>. The 2016 actual column (2016 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures-actual and budget for the year ended December 31, 2017 (Schedule 2 as listed in the table of contents) is presented for purposes of additional analysis and is not a required part of the basic financial statement. Such 2016 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2016 basic financial statement. The 2016 comparative information was subjected to the auditing procedures applied in the audit of the 2016 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2016 basic financial statement or to the 2016 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2016 comparative information is fairly stated in all material respects in relation to the 2016 basic financial statement as a whole, on the basis of accounting described in Note A.

CITY OF GORHAM, KANSAS

SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH
Regulatory Basis
For the Year Ended December 31, 2017

Statement 1

<u>Funds</u>	<u>Beginning Unencumbered Cash Balance</u>	<u>Prior Year Cancelled Encumbrances</u>	<u>Receipts</u>	<u>Expenditures</u>	<u>Ending Unencumbered Cash Balance</u>	<u>Add: Encumbrances and Accounts Payable</u>	<u>Ending Cash Balance</u>
GENERAL FUND	\$ 44,315	2,997	\$ 164,904	\$ 190,636	\$ 21,580	\$ 20,889	\$ 42,469
SPECIAL PURPOSE FUNDS							
City County Highway Fund	-	702	9,038	5,070	4,670	-	4,670
Gifts & Grants Fund	250	-	9,637	2,742	7,145	-	7,145
Parks & Recreation Fund	1,000	-	2,000	3,000	-	-	-
Personal Benefits Fund	-	-	-	-	-	-	-
Total Special Purpose Funds	1,250	702	20,675	10,812	11,815	-	11,815
BOND AND INTEREST FUND							
Bond and Interest Fund	386	-	15,465	15,652	199	-	199
BUSINESS FUNDS							
Sewer Fund	112,248	-	31,802	47,620	96,430	20,496	116,926
Water Fund	84,641	-	112,496	133,590	63,547	17,526	81,073
Solid Waste Fund	5,673	-	36,675	36,502	5,846	3,070	8,916
Total Business Funds	202,562	-	180,973	217,712	165,823	41,092	206,915
Total Reporting Entity (Excluding Agency Funds)	<u>\$ 248,513</u>	<u>\$ 3,699</u>	<u>\$ 382,017</u>	<u>\$ 434,812</u>	<u>\$ 199,417</u>	<u>\$ 61,981</u>	<u>\$ 261,398</u>

Composition of Cash:

Cash in Bank, Gorham State Acct 700002	\$ 121,298
Cash on Hand	100
Certificates of Deposit	140,000
Total Reporting Entity	<u>\$ 261,398</u>

The notes to the financial statement are an integral part of this statement.

City of Gorham, Kansas

Notes to Financial Statement

Year Ended December 31, 2017

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Municipal Financial Reporting Entity

The City of Gorham, located in Russell County, Kansas, is a municipal corporation governed by an elected six-member council. The City of Gorham provides the following services: general government administration, water, sewer, and refuse services.

The regulatory financial statement presents the City of Gorham, Kansas (the municipality) and does not include any Related Municipal Entities.

Basis of Accounting

Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America. The *Kansas Municipal Audit and Accounting Guide* (KMAAG) regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis receipts and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than those mentioned above.

The City has approved a resolution that is in compliance with K.S.A. 75-1120a(c), waiving the requirement for application of generally accepted accounting principles and allowing the City to use the regulatory basis of accounting.

Regulatory Basis Fund Types

General Fund - the chief operating fund. Used to account for all resources except those required to be accounted for in another fund.

Special Purpose Fund - used to account for the proceeds of specific tax levies and other specific regulatory receipt sources (other than Capital Project and tax levies for long-term debt) that are intended for specified purposes.

Bond and Interest Fund - used to account for the accumulation of resources, including tax levies, transfers from other funds and payment of general long-term debt.

Capital Project Fund - used to account for the debt proceeds and other financial resources to be used for acquisition or construction of major capital facilities or equipment.

Business Fund – funds financed in whole or in part by fees charged to users of the goods or services (i.e. enterprise and internal service fund etc.).

Trust Fund – funds used to report assets held in trust for the benefit of the municipal financial reporting entity (i.e. pension funds, investment trust funds, private purpose trust funds which benefit the municipal reporting entity, scholarship funds, etc.).

City of Gorham, Kansas

Notes to Financial Statement

Year Ended December 31, 2017

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Agency Fund – funds used to report assets held by the municipal reporting entity in a purely custodial capacity (payroll clearing fund, county treasurer tax collection accounts, etc.).

Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special purpose funds (unless specifically exempted by statute), bond and interest funds, and business funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding calendar year on or before August 1st.
2. Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.
3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in regulatory receipts other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held and the governing body may amend the budget at that time. There was one such budget amendment for this year.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison schedules are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which regulatory receipts are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for the prior year's accounts payable and encumbrances. Encumbrances are commitments by the City for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year end.

A legal operating budget is not required for capital project funds, trust funds, and the following special purpose fund:

Gifts & Grants Fund

Spending in funds which are not subject to the legal annual operating budget requirement is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

Reimbursements

The City of Gorham records reimbursable expenditures in the fund that makes the disbursement and records reimbursements as a receipt to the fund that receives the reimbursement. For purposes of budgetary comparisons, the expenditures are properly offset by the reimbursements under KMAAG regulatory basis accounting.

City of Gorham, Kansas

Notes to Financial Statement

Year Ended December 31, 2017

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Property Tax

The determination of assessed valuations and the collection of property taxes for all political subdivisions in the State of Kansas is the responsibility of the various counties. The County appraiser annually determines assessed valuations based on real estate transactions recorded by the Register of Deeds and personal property transactions reported by taxpayers. The County Clerk spreads the annual assessment on the tax rolls. The County Treasurer is the tax collection agent for all taxing entities within the county.

In accordance with state statutes, property taxes levied during the current year are a revenue source to be used to finance the budget of the ensuing year. Property taxes are assessed on a calendar year basis and become a lien on property on November 1 of each year. The taxes are due one-half on December 20th and one-half the following May 10th. Any taxes unpaid at the due dates are considered delinquent.

Collection of current year property tax by the County Treasurer is not completed, apportioned or distributed to the various subdivisions until the succeeding year, such procedure being in conformity with governing state statutes. Consequently, current year property taxes receivable are not available as a resource that can be used to finance the current operation of the City and therefore are not susceptible to accrual.

Undistributed taxes from the prior year levy are recognized as income in the current year. It is not practicable to apportion delinquent taxes held by the County Treasurer at the end of the audit period and, further, the amounts thereof are not material to the financial statement taken as a whole.

NOTE B – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

K.S.A. 12-1608 requires the treasurer of a city of the third class to file an annual statement showing beginning and ending cash balances, receipts, and expenditures of each fund. The statement is to be published within 30 days after December 31 of each year. The annual statement for 2017 was published on February 8, 2018.

NOTE C – DEPOSITS AND INVESTMENTS

K.S.A. 9-1401 establishes the depositories which may be used by the City. The statute requires banks eligible to hold the City's funds have a main or branch bank in the county in which the City is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The City has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the City's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The City has no investment policy that would further limit its investments choices.

Concentration of credit risk. State statutes place no limit on the amount the City may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405.

Custodial credit risk - deposits. Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require the City's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank

City of Gorham, Kansas

Notes to Financial Statement

Year Ended December 31, 2017

NOTE C – DEPOSITS & INVESTMENTS – CONTINUED

within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka. All deposits were legally secured at December 31, 2017.

At December 31, 2017 the City's carrying amount of deposits was \$261,398 and the bank balance was \$261,902. The difference between the carrying amount and the bank balance is outstanding checks, deposits in transit, and \$100 cash on hand. The bank balance was held by one bank resulting in a concentration of credit risk. Of the bank balance, \$250,000 was covered by federal depository insurance, \$11,902 was collateralized with securities held by the pledging financial institutions' agents in the City's name.

Custodial credit risk-investments. For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured.

NOTE D – INTERFUND TRANSFERS

Operating transfers were as follows:

<u>From</u>	<u>To</u>	<u>Regulatory Authority</u>	<u>Amount</u>
Sewer	General	KSA 12-825d	\$2,000
Sewer	Bond & Interest	KSA 12-825d	\$11,965
General	Bond & Interest		\$3,500
Parks & Recreation	Gifts & Grants		\$1,000
Parks & Recreation	General		\$50

NOTE E – CLAIMS AND JUDGMENTS

The City participates in federal, state, and county programs that are fully or partially funded by grant received from other government units. Expenditures financial by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with the grant program regulations, the City may be required to reimburse the grantor government.

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City continues to carry commercial insurance for these risks of loss. There have been no significant reductions in insurance coverage from 2016 to 2017 and there were no settled claims that exceeded insurance coverage in the past three years.

During the ordinary course of its operations the City is a party to various claims, legal actions and complaints. It is the opinion of the City's management and legal counsel that these matters are not anticipated to have a material financial impact on the City.

NOTE F – RELATED PARTY TRANSACTIONS

In a governmental entity, related parties include members of the governing body, council members, administrative officials, and immediate families of administrative officials, council members, and members of the governing body. Required disclosures on related party transactions do not include compensation arrangements, expense allowances and similar items incurred in the ordinary course of operations. The following are not required to be reported, but are presented for information only.

City of Gorham, Kansas

Notes to Financial Statement

Year Ended December 31, 2017

NOTE F – RELATED PARTY TRANSACTIONS - CONTINUED

United Ag Service Kara Bredvick, Council Member Employee	<u>2017</u> \$3,574
Insurance Planning Neil Unrein, Council Member Spouse is an employee	12,674
Gorham Telephone Amber Washburn, Clerk Spouse is an employee	2,410
R.B. Electric Scott Stoffel, Council Member Employee	109

NOTE G – LONG-TERM DEBT

Changes in long-term liabilities for the City for the year ended December 31, 2017 were as follows:

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Balance End of Year	Interest Paid
KDHE Loan	2.58%	10/4/05	\$188,202	9/1/2030	\$139,850	\$0	\$8,411	\$131,439	\$3,554
GO Bonds	3.25%	5/11/15	275,904	5/1/2025	251,904	0	25,000	226,904	7,781
Total Contractual Indebtedness					\$391,754	\$0	\$33,411	\$358,343	\$11,335

Current maturities of long-term debt and interest for the next five years and in five year increments through maturity are as follows:

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023-2027</u>	<u>2028-2031</u>	<u>Total</u>
PRINCIPAL								
KDHE Loan	\$8,629	\$8,854	\$9,083	\$9,319	\$9,561	\$51,662	\$34,331	\$131,439
GO Bonds	25,000	26,000	27,000	28,000	29,000	91,904	0	226,904
INTEREST								
KDHE Loan	3,336	3,112	2,882	2,646	2,404	8,164	1,567	24,111
GO Bonds	6,968	6,139	5,278	4,384	3,458	4,510	0	30,737
Total Long-Term Debt	<u>\$43,933</u>	<u>\$44,105</u>	<u>\$44,243</u>	<u>\$44,349</u>	<u>\$44,423</u>	<u>\$156,240</u>	<u>\$35,898</u>	<u>\$413,191</u>

NOTE H – OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS / COMMITMENTS

Compensated Absences

After an initial ninety day waiting period, full time employees shall earn 4 hours of sick leave for each full month of service. No employee may accrue more than 360 hours of sick leave. Sick leave is not paid upon termination.

City of Gorham, Kansas

Notes to Financial Statement

Year Ended December 31, 2017

NOTE H – OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS / COMMITMENTS - CONTINUED

Persons employed for 40 hours or more per week and after being employed continuously for one year, shall be entitled to one week (5 days) of paid vacation. Persons employed continuously by the Municipality for 3 years or more will be entitled to 2 weeks (10 days) of paid vacation.

The Municipality's employee who is eligible for paid time off has accumulated 20.5 hours of vacation as of December 31, 2017. Accumulated vacation benefits are estimated at \$493.

NOTE I – SUBSEQUENT EVENTS

In February 2018, the council approved \$8,100 for a recycle trailer, with a RCACF grant of \$5,000 providing part of the funding.

In July 2018, the council approved \$7,600 of street repairs for curbs and guttering.

In August 2018, the council approved \$11,470 for chip and seal to be paid out of the City County Highway Fund and General Fund.

Management has evaluated the effects on the financial statement of subsequent events occurring through the date of this report, which is the date at which the financial statement was available to be issued.

REGULATORY-REQUIRED
SUPPLEMENTARY INFORMATION

DECEMBER 31, 2017

CITY OF GORHAM, KANSAS

SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET

**Regulatory Basis
(Budgeted Funds Only)**

For the Year Ended December 31, 2017

Schedule 1

<u>Fund</u>	<u>Certified Budget</u>	<u>Adjustment for Qualifying Budget Credits</u>	<u>Total Budget for Comparison</u>	<u>Expenditures Chargeable to Current Year</u>	<u>Variance Over (Under)</u>
GENERAL FUND	\$ 192,607	\$ -	\$ 192,607	\$ 190,636	\$ (1,971)
SPECIAL PURPOSE FUNDS					
City County Highway Fund	224,113	-	224,113	5,070	(219,043)
Parks & Recreation Fund	277,100	-	277,100	3,000	(274,100)
Personal Benefits Fund	-	-	-	-	-
BOND AND INTEREST FUND					
Bond and Interest Fund	24,319	-	24,319	15,652	(8,667)
BUSINESS FUNDS					
Sewer Fund	126,372	-	126,372	47,620	(78,752)
Water Fund	211,732	-	211,732	133,590	(78,142)
Solid Waste Fund	52,264	-	52,264	36,502	(15,762)
Total	<u>\$ 1,108,507</u>	<u>\$ -</u>	<u>\$ 1,108,507</u>	<u>\$ 432,070</u>	<u>\$ (676,437)</u>

CITY OF GORHAM, KANSAS

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis

For the Year Ended December 31, 2017

(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

GENERAL FUND

Schedule 2-1

		<u>2017</u>		Variance Over (Under)	
	2016 Actual	Actual	Budget		
Receipts					
Ad Valorem Tax	\$ 67,098	\$ 84,653	\$ 88,069	\$ (3,416)	
Delinquent Tax	1,048	1,694	-	1,694	
Motor Vehicle Tax	19,447	19,081	20,482	(1,401)	
Franchise Tax	10,311	10,584	12,000	(1,416)	
Sales & Use Tax	39,606	37,298	50,000	(12,702)	
Licenses & Permits	719	540	800	(260)	
Leases & Rent	1,500	1,500	1,375	125	
Reimbursements	600	-	-	-	
Transfer from Sewer	-	2,000	-	2,000	
Transfer from Parks & Recreation	-	50	-	50	
Department of Commerce CBGB Grant	275,707	-	-	-	
GCDA	40,000	-	-	-	
State of Kansas - Street Repairs	51,508	-	-	-	
Miscellaneous	4,864	7,118	-	7,118	
Interest	328	386	300	86	
Total Receipts	<u>512,736</u>	<u>164,904</u>	<u>\$ 173,026</u>	<u>\$ (8,122)</u>	
Expenditures					
Personal Services	54,652	61,357	60,000	1,357	
Contractual Services	30,753	35,475	35,000	475	
Commodities	19,929	19,937	35,000	(15,063)	
Capital Outlay	-	-	42,180	(42,180)	
Road Improvements	27,730	29,990	-	29,990	
Miscellaneous	16,308	11,282	-	11,282	
Court Expenses	200	-	-	-	
Bond Payment Principal & Interest	30,763	29,095	20,427	8,668	
Park Expenses	292,607	-	-	-	
Transfer to Bond & Interest	-	3,500	-	3,500	
Total Expenditures	472,942	190,636	<u>\$ 192,607</u>	<u>\$ (1,971)</u>	
Receipts Over (Under) Expenditures	39,794	(25,732)			
Unencumbered Cash, Beginning	4,521	44,315			
Prior Year Cancelled Encumbrances	-	2,997			
Unencumbered Cash, Ending	<u>\$ 44,315</u>	<u>\$ 21,580</u>			

CITY OF GORHAM, KANSAS

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis

For the Year Ended December 31, 2017

(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

CITY COUNTY HIGHWAY FUND

Schedule 2-2

		<u>2017</u>		
	<u>2016</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
	<u>Actual</u>			<u>Over</u>
				<u>(Under)</u>
Receipts				
State of Kansas	\$ 8,957	\$ 9,038	\$ 8,690	\$ 348
Department of Commerce Grant	1,470	-	-	-
Total Receipts	<u>10,427</u>	<u>9,038</u>	<u>\$ 8,690</u>	<u>\$ 348</u>
Expenditures				
Street Repair	<u>10,427</u>	<u>5,070</u>	<u>224,113</u>	<u>(219,043)</u>
Total Expenditures	<u>10,427</u>	<u>5,070</u>	<u>\$ 224,113</u>	<u>\$ (219,043)</u>
Receipts Over (Under) Expenditures	-	3,968		
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>		
Prior Year Cancelled Encumbrances	-	702		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ 4,670</u>		

CITY OF GORHAM, KANSAS

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL

Regulatory Basis

For the Year Ended December 31, 2017

(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

GIFTS & GRANTS FUND

Schedule 2-3

	<u>2016 Actual</u>	<u>2017 Actual</u>
Receipts		
Transfer from Parks & Recreation	\$ -	\$ 1,000
Gifts & Grants Income	<u>250</u>	<u>8,637</u>
Total Receipts	<u>250</u>	<u>9,637</u>
Expenditures		
Gifts & Grants Expense	<u>-</u>	<u>2,742</u>
Total Expenditures	<u>-</u>	<u>2,742</u>
Receipts Over (Under) Expenditures	250	6,895
Unencumbered Cash, Beginning	<u>-</u>	<u>250</u>
Unencumbered Cash, Ending	<u><u>\$ 250</u></u>	<u><u>\$ 7,145</u></u>

CITY OF GORHAM, KANSAS

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis

For the Year Ended December 31, 2017

(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

PARKS & RECREATION FUND

Schedule 2-4

		<u>2017</u>		Variance Over (Under)	
	<u>2016 Actual</u>	<u>Actual</u>	<u>Budget</u>		
Receipts					
Parks & Recreation Income	\$ 1,000	\$ -	\$ -	\$ -	
State of KS - Dept. of Commerce	<u>-</u>	<u>2,000</u>	<u>-</u>	<u>2,000</u>	
Total Receipts	<u>1,000</u>	<u>2,000</u>	<u>\$ -</u>	<u>\$ 2,000</u>	
Expenditures					
Transfer to Gifts & Grants	-	1,000	-	1,000	
Transfer to General	-	50	-	50	
Parks & Recreation Expense	<u>-</u>	<u>1,950</u>	<u>277,100</u>	<u>(275,150)</u>	
Total Expenditures	<u>-</u>	<u>3,000</u>	<u>\$ 277,100</u>	<u>\$ (274,100)</u>	
Receipts Over (Under) Expenditures	1,000	(1,000)			
Unencumbered Cash, Beginning	<u>-</u>	<u>1,000</u>			
Unencumbered Cash, Ending	<u>\$ 1,000</u>	<u>\$ -</u>			

CITY OF GORHAM, KANSAS

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis

For the Year Ended December 31, 2017

(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

PERSONAL BENEFITS FUND

Schedule 2-5

		<u>2017</u>		
	<u>2016</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
	<u>Actual</u>			<u>Over</u>
				<u>(Under)</u>
Receipts				
Delinquent Tax	<u>2</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Receipts	<u>2</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
Expenditures				
Payroll Taxes	<u>3,085</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>3,085</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
Receipts Over (Under) Expenditures	<u>(3,083)</u>	<u>-</u>		
Unencumbered Cash, Beginning	<u>3,083</u>	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>		

CITY OF GORHAM, KANSAS

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis

For the Year Ended December 31, 2017

(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

BOND AND INTEREST FUND

Schedule 2-6

		<u>2017</u>		
	<u>2016</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
	<u>Actual</u>			<u>Over</u>
				<u>(Under)</u>
Receipts				
Delinquent Tax	2	-	-	\$ -
Transfer from General	-	3,500	-	3,500
Transfer from Sewer Utility	<u>11,965</u>	<u>11,965</u>	<u>11,965</u>	<u>-</u>
Total Receipts	<u>11,967</u>	<u>15,465</u>	<u>\$ 11,965</u>	<u>\$ 3,500</u>
Expenditures				
Principal Payments	13,998	8,411	24,319	(15,908)
Interest Payments	3,402	6,897	-	6,897
Commission	<u>365</u>	<u>344</u>	<u>-</u>	<u>344</u>
Total Expenditures	<u>17,765</u>	<u>15,652</u>	<u>\$ 24,319</u>	<u>\$ (8,667)</u>
Receipts Over (Under) Expenditures	(5,798)	(187)		
Unencumbered Cash, Beginning	<u>6,184</u>	<u>386</u>		
Unencumbered Cash, Ending	<u>\$ 386</u>	<u>\$ 199</u>		

CITY OF GORHAM, KANSAS

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis

For the Year Ended December 31, 2017

(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

SEWER FUND

Schedule 2-7

		<u>2017</u>		
	<u>2016</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
	<u>Actual</u>			<u>Over</u>
				<u>(Under)</u>
Receipts				
Customer Charges	\$ 31,240	\$ 31,802	\$ 35,000	\$ (3,198)
Total Receipts	<u>31,240</u>	<u>31,802</u>	<u>\$ 35,000</u>	<u>\$ (3,198)</u>
Expenditures				
Operations	13,897	21,533	15,000	6,533
Personal Services	9,348	10,013	15,000	(4,987)
Parts & Maintenance	5,011	2,029	-	2,029
Capital Outlay	-	-	84,407	(84,407)
Employee Education	-	80	-	80
Transfer to General	-	2,000	-	2,000
Transfer to Bond and Interest	<u>11,965</u>	<u>11,965</u>	<u>11,965</u>	<u>-</u>
Total Expenditures	<u>40,221</u>	<u>47,620</u>	<u>\$ 126,372</u>	<u>\$ (78,752)</u>
Receipts Over (Under) Expenditures	(8,981)	(15,818)		
Unencumbered Cash, Beginning	<u>121,229</u>	<u>112,248</u>		
Unencumbered Cash, Ending	<u>\$ 112,248</u>	<u>\$ 96,430</u>		

CITY OF GORHAM, KANSAS

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis

For the Year Ended December 31, 2017

(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

WATER FUND

Schedule 2-8

		<u>2017</u>		Variance Over (Under)	
	<u>2016 Actual</u>	<u>Actual</u>	<u>Budget</u>		
Receipts					
Customer Charges	\$ 113,199	\$ 112,496	\$ 120,000	\$ (7,504)	
Total Receipts	<u>113,199</u>	<u>112,496</u>	<u>\$ 120,000</u>	<u>\$ (7,504)</u>	
Expenditures					
Operations	77,231	92,652	95,000	(2,348)	
Personal Services	16,831	18,178	25,000	(6,822)	
Capital Outlay	-	15,255	91,732	(76,477)	
Miscellaneous	<u>950</u>	<u>7,505</u>	<u>-</u>	<u>7,505</u>	
Total Expenditures	<u>95,012</u>	<u>133,590</u>	<u>\$ 211,732</u>	<u>\$ (78,142)</u>	
Receipts Over (Under) Expenditures	18,187	(21,094)			
Unencumbered Cash, Beginning	<u>66,454</u>	<u>84,641</u>			
Unencumbered Cash, Ending	<u>\$ 84,641</u>	<u>\$ 63,547</u>			

CITY OF GORHAM, KANSAS

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis

For the Year Ended December 31, 2017

(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

SOLID WASTE FUND

Schedule 2-9

		<u>2017</u>		<u>Variance Over (Under)</u>
	<u>2016 Actual</u>	<u>Actual</u>	<u>Budget</u>	
Receipts				
Customer Charges	<u>\$ 35,829</u>	<u>\$ 36,675</u>	<u>\$ 40,000</u>	<u>\$ (3,325)</u>
Total Receipts	<u>35,829</u>	<u>36,675</u>	<u>\$ 40,000</u>	<u>\$ (3,325)</u>
Expenditures				
Operations	36,400	36,502	38,000	(1,498)
Capital Outlay	<u>-</u>	<u>-</u>	<u>14,264</u>	<u>(14,264)</u>
Total Expenditures	<u>36,400</u>	<u>36,502</u>	<u>\$ 52,264</u>	<u>\$ (15,762)</u>
Receipts Over (Under) Expenditures	(571)	173		
Unencumbered Cash, Beginning	<u>6,244</u>	<u>5,673</u>		
Unencumbered Cash, Ending	<u>\$ 5,673</u>	<u>\$ 5,846</u>		